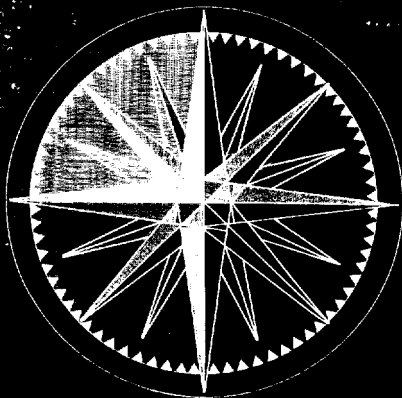


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6 December 1963

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SPECIAL REPORT

CROSSCURRENTS IN BRITISH GUIANA

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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6 December 1963

CROSSCURRENTS IN BRITISH GUIANA

In an effort to curb the extension of Communist influence in British Guiana and to establish the basis for a viable, democratic regime, Britain has decided to require new elections under a system of proportional representation before giving the colony its independence. This decision, reached during the October constitutional talks in London with Guianese political leaders, has badly shaken Cheddi Jagan's governing People's Progressive Party (PPP), which later "categorically rejected it." Faced by dissension in its own ranks, however, the PPP is still undecided on what "rejection" implies and seems to be grasping for some way to prevent the elections from being held.

The two opposition parties, the People's National Council (PNC) and the United Force (UF), have been slow to capitalize on their improved chances of coming to power, and their efforts to join forces have been at best tenuous. It is possible, moreover, that the emergence of several new parties, which the new electoral law was intended to encourage, will undercut the opposition as well as Jagan.

Thus, it is far from certain that London's decrees have provided the means for ousting the pro-Communist Jagan or for creating an effective post-Jagan government.

Implications of the London Settlement

The prospective institution of proportional representation is of particular importance because of the tendency of Guianese to vote along racial lines. The PPP--backed largely by East Indians, who constitute nearly half of the population--has profited politically from the present simple majority system (see chart). The other parties, whose combined votes outnumbered the PPP's in 1961, have

therefore long pressed for proportional representation.

The three party leaders (Jagan, Forbes Burnham of the PNC, and Peter D'Aguiar of the UF), unable for over a year to agree on a postindependence electoral system, finally requested British Colonial Secretary Duncan Sandys to effect a compromise when they met with him in London in October. Under the election system Sandys

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BRITISH GUIANA

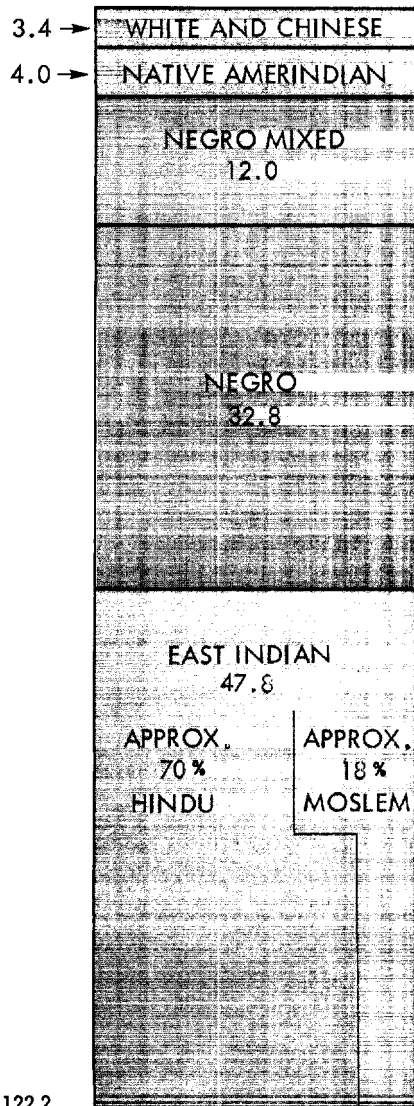
RACIAL AND POLITICAL MAKEUP

RACIAL BREAKDOWN

(By % of Total
Population---now
estimated at 600,000)

POLITICAL BREAKDOWN

(According to 1961 Election Results)



Leader: Peter D'Aguiar
Influential Members:
Ann Jardim
Kit Nascimento
Randolph Cheeks
Lionel Luckhoo
Stephen Campbell

Leader: Lyndon Forbes Burnham
Influential Members:
Winifred Gaskin
Neville Bissember
C. M. L. John
Rudy Kendall
Eugene Correia
Claude Merriman

Leader: Cheddi Jagan
Influential Members:
Mrs. Janet Jagan
Brindley Benn
Ashton Chase
Fenton Ramsahoye
Moses Bhagwan
Moneer Khan
Harry Lall
C. V. Nunes
Ramkarran
Ranji Chandisingh

PERCENT OF TOTAL VOTE

SEATS WON IN LEGISLATIVE ASSEMBLY

UNITED FORCE	16.4	4
PEOPLE'S NATIONAL CONGRESS	41.0	11
PEOPLE'S PROGRESSIVE PARTY	42.6	20

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then decreed, the colony will be treated as a single constituency, and legislative seats will be apportioned among the parties according to the percentage of votes won. To encourage the formation of new parties, Sandys set no qualifying minimum percentage for parliamentary representation.

The governor is empowered to set the date of the election, which, because of the time needed for registration and other preparations, probably will not be held before mid-1964 at the earliest. After the elections, another constitutional conference will be convened to settle issues still unresolved and to fix the date of independence. In the meantime, constitutional safeguards will be drafted aimed at protecting minorities, preserving basic human rights, and ensuring an impartial judiciary, police, and civil service. Until independence, a multi-racial, nonpolitical security force--to be created under the governor's authority--will assist the regular police in maintaining order.

Under these arrangements, Britain has the option of exerting substantial influence for about a year, but the extent to which it will use it to restrict pro-Communist elements is uncertain. The present governor, for instance, has tended to make rulings advantageous to Jagan. Furthermore, the sharp criticism that the Labor Party in Britain is

leveling against the Sandys program may make it difficult for London to take as strong a stand with Jagan as that program now envisages. Thus, while British officials have talked of suspending the colony's constitution and resuming direct rule if such action were required to implement their plan, it is doubtful whether they will.

Strains in the PPP

The response in British Guiana to London's decree has been confused and relatively restrained; the general public is apathetic. The PPP's leaders have seemed uncertain what impact Sandy's decrees may have on their future. The rebuff to Jagan appears to have accentuated the long-standing strains within his party.

These strains began as far back as 1955, when Burnham and his Negro following split off from the PPP. Since then, the PPP has been ruled by a clique which is dominated by persons having Communist connections. The average East Indian who votes for the PPP, however, is more influenced by what Jagan has done to improve the position of his race than by ideological considerations. Thus, although the largest party, the PPP has a circumscribed base and depends very much on Jagan's charismatic personal appeal.

During the past year, the PPP's open flirtation with the

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Communist bloc and the rising popular discontent over economic difficulties produced by the government's ineptitude have accentuated the factionalism within the party hierarchy. A faction on the left includes such extremists as party chairman Brindley Benn, his wife Patricia, Jagan's wife Janet, and Moses Bhagwan, leader of the PPP's youth corps. The moderates include such men as Attorney General Ramsahoye and parliamentary secretary Lawrence Mann who have both thought of defecting in the past. These individuals are unhappy with the PPP's pro-Communist policy, but their careers are so dependent on their party posts that they refrain from taking independent action.

Jagan apparently stands somewhere in between. He endorses the extremists on the question of ties with Cuba and the bloc. He has personally asked for Soviet aid, and, as recently as 9 November, reaffirmed his support of the Castro regime and what it is doing in Cuba. On the other hand, he has been noticeably less vehement than some of his lieutenants when it comes to attacking the US.

Although it is Jagan's personal hold on the East Indians that has made the PPP the leading party, the extent to which he will be able to control it is thus open to some question--especially in the period now opening when the party is facing elections which

are weighted against it. There have been reports of open dissension between Jagan and Benn and of a political as well as personal rift between Jagan and his wife. Jagan himself has recently implied that he does not exercise complete authority over his supporters, particularly when it comes to restraining them from violence. It is therefore unclear to what extent he personally has endorsed the blatant racialism and intimidation to which the PPP has in some instances resorted since the London conference.

Economic Problems

The PPP's political fortunes may to a considerable extent hinge on future development in the country's now stagnating economy. This year's crop of rice--one of the colony's principal exports--will be much smaller than normal as a result of planting delays caused by last spring's 80-day general strike and drought. Hardest hit will be areas which the PPP carried in the last elections by only a very narrow margin. Moreover, unless next spring's crop is an unusually large one, the colony will be unable to meet its 1964 export commitments.

Although sugar prices are unusually high this year, sugar workers have recently shown a certain coolness toward the PPP. One indication of this was the apparent failure of a recent massive PPP

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campaign to wean permanently more than a few of these workers away from their present anti-Jagan union into one sponsored by the PPP.

The government, moreover, is close to bankruptcy although it has so far concealed this by various bookkeeping manipulations. This deception probably cannot be maintained much longer, and London is unwilling to go on covering deficits without assuming supervision of the finance ministry. And the reduced level of economic activity will of course reduce tax revenues.

Economic Links to the Bloc

So far, the Jagan regime's efforts to ease its economic problems by soliciting foreign aid have not been successful. Jagan's hopes for bloc aid have moved no closer to realization than the negotiating table. Nor has private foreign investment been forthcoming except in minimal amounts because of uncertain conditions and the regime's basic hostility to foreign capital.

The PPP, nevertheless, has gone quite far in trying to supplant private trading and distributing facilities in order to make the economy ever more dependent on bloc goods. During the strike, for example, the government imported and distributed fuel and food-stuffs from Cuba and the bloc and tried to curb private sales until these imports were sold.

Another link to the bloc is Guyana Import Export (GIMPEX), a PPP firm which has become the colony's trading agency with the bloc as well as a channel for foreign Communist financial support of the party itself. In registering as a private company last August, GIMPEX listed its functions as a borrower and source of funds abroad in addition to buying and selling all manner of goods, including "dynamite, gunpowder, and explosives." Cuban funds, paid to GIMPEX, were loaned both to the government and the PPP's publishing firm. According to another report, funds for PPP salaries and expenses are funneled to Janet Jagan from GIMPEX via this publishing company.

The Opposition Parties

Forbes Burnham's campaigning since his return from London has been based on his claim that he stands first among the country's nationalists. This approach has not gone over very well, and he continues to have difficulty in inspiring confidence outside his regular Negro following. Furthermore, he too faces dissension within his PNC. Two influential legislators, disgruntled at being excluded from the London conference, are talking of quitting the party and taking their supporters with them.

Now, however, Burnham is seeking some form of cooperation with the UF, after previously discouraging UF overtures.

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He recommended at a meeting with the UF executive committee on 17 November that the two parties work together covertly in order to defeat Jagan. Although the UF is on record as favoring an end to mudslinging, party leader D'Aguiar has given no clear indication of how he proposes to proceed.

New Political Alignments

In the last several months, Hindu and Moslem groups among the East Indians have tended to polarize into pro- and anti-Jagan factions. There is a dearth of suitable leadership, however, and those available are hesitant to proceed so long as Jagan remains in power and in a position to harass them.

Whether the preliminary moves which anti-Jagan East Indians have made toward the formation of a new political party will have any success is therefore very uncertain. Dr. Balwant Singh, head of the largest Hindu organization and an organizer for the new party, is wavering and indecisive. Balram Singh Rai, a Hindu former PPP minister, has toyed with the idea of forming a new East Indian party, and last month reached a cooperation agreement with PNC leader Burnham. Rai, how-

ever, has made little follow-up effort and now would prefer to join the UF, provided this conservative party's platform were amended and a number of East Indians included in its executive. Both Singh and Rai have felt in the past they could obtain substantial support for a new party, particularly if proportional representation were introduced and direct British control temporarily restored. However, they have been thrown into confusion by the Sandys settlement which left Jagan in control of the government during the election period and in a position to harass opposition political efforts.

The Moslems have traditionally been more politically active, and there has been some talk of a separate East Indian Moslem party. Their efforts may have been discouraged, however, by the disorderly break-up by PPP activists of the 20 October meeting of the colony's large Moslem organization.

Among the Negro population, meanwhile, a union leader named Andrew Jackson is lobbying for a trade union party. Burnham is trying to block this effort, however, because he fears such a party would cut into his support. With the exception of the sugarworkers, most trade unionists are Negro.

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Outlook

It is far too early to discern what results this political and economic ferment is likely to produce. Racial antagonisms are sufficiently strong that racial appeals could result in violence which would necessitate postponement of elections. Although it seems unlikely at this stage, it is possible that the new strains which have been placed

upon the PPP could split the party. In their reaction thus far to the opportunity London has given them, neither the existing nor the potential opponents to Jagan have as yet inspired much confidence in their ability to wrest control from the PPP. Nor, it should be added, in their ability to govern the country thereafter. (SECRET NO FOREIGN DISSEM)

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